

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

April 27, 2001

GSBCA 15498-RELO

In the Matter of ROBERT H. LAGHAIE

Robert H. Laghaie, Indianapolis, IN, Claimant.

Jeanette Hill, Chief, Financial Services Center, Department of Veterans Affairs, Austin, TX, appearing for Department of Veterans Affairs.

GOODMAN, Board Judge.

Claimant, Robert H. Laghaie, is an employee of the Department of Veterans Affairs (VA). He has requested that this Board review the agency's decision to deny his request for reimbursement of temporary quarters subsistence expenses (TQSE).

In August 1998 claimant accomplished a permanent change of station to Coatesville VA Medical Center in Coatesville, Pennsylvania. He was authorized 120 days of temporary quarters subsistence expenses. For the first week, the claimant occupied temporary quarters at the home of an acquaintance. Claimant states:

That week I had an offer from my wife's relatives, which owned a property in Philadelphia. (A furnished 3 bedroom, dining, family room, kitchen, 3 bath and 2 car garage). They made this offer for \$2400 a month. All utilities were to be paid by them. They used only one of the bedrooms for storage. I agreed with the offer and signed the lease.

Claimant thereafter executed a written lease with his relative dated August 15, 1998, which stated rent for the period August 17, 1998, through October 17, 1998, would be in the amount of \$2400 per month. The lease contained an option to extend for an additional 30 days for an additional payment of \$2400. Claimant occupied the premises from August 16 through November 29, 1998, and according to the handwritten receipts, claimant paid the landlord \$1200 every two weeks, except that he paid \$1600 for the last week of November 22-29. Claimant states that he paid the landlord in cash. He submitted handwritten receipts to the agency's travel clerk in exchange for travel advances. He states that the clerk who processed his travel advances "neither had an objection nor did she express any concern regarding the type of my lease or payment to the landlord." The agency reimbursed claimant only for the costs of meals and coin laundry service. The agency states that "[o]ur concern

was not just the fact that the lease and the rent receipts were handwritten, but was primarily the reasonableness of the amount claimed for temporary quarters in these circumstances."

The Board inquired as to whether the landlord was in the business of renting to travelers or other commercial customers. The claimant did not directly respond to the inquiry, but submitted the information quoted above.

Discussion

Under the applicable provision of the Federal Travel Regulation (FTR), an agency is to pay the employee's "actual TQSE incurred, provided the expenses are reasonable and do not exceed the maximum allowable amount." 41 CFR 302-5.100 (1998).

In assessing whether the expenses for which Mr. Laghaie seeks reimbursement were reasonable, the agency looked to another provision of the FTR which addresses "Lodging with friend(s) or relative(s)," 41 CFR 301-11.12. The "friend(s) or relative(s)" provision pertains to lodging while on temporary duty and is not applicable, strictly speaking, to claims such as Mr. Laghaie's which are for TQSE in conjunction with a permanent change of station. Guy E. Mercier, GSBCA 13795-RELO, 97-1 BCA ¶ 28,925. The only requirement of the temporary duty portion of the FTR which is incorporated by reference in the TQSE part of the regulation is the requirement for documentation of expenses incurred. 41 CFR 302-5.12. Nevertheless, the point the "friend(s) or relative(s)" provision makes -- that lodging costs allegedly incurred while staying with such individuals is subject to special scrutiny because the rates are generally not set through an arm's-length business relationship -- is a valid one which applies to claims for TQSE as well as those for temporary duty expenses. Donald Mixon, GSBCA 14957-RELO, 00-1 BCA ¶ 30,606; John Wesley Summers, GSBCA 14600-RELO, 98-2 BCA ¶ 29,975.

As with all claims for relocation benefits, the burden is on the claimant here to demonstrate the liability of the agency for the amount sought. 48 CFR 6104.1(c). Under the FTR, demonstration of the reasonableness of the rent charged is necessary before TQSE may be reimbursed. Here, the agency issued travel advances throughout the period of claimant's TQSE for the amounts requested by claimant. Only afterward did the agency indicate that it was concerned about the reasonableness of the amount sought for lodging. Mr. Laghaie has provided information which allegedly supports his contention that he paid a certain amount for lodging, but he has provided nothing at all to demonstrate that this amount was reasonable. Because the claimant has failed to meet his burden, we sustain the agency's decision not to reimburse him for lodging costs he allegedly incurred while in temporary quarters. Mixon; Summers.

We note that even without proof that he incurred any costs for lodging, Mr. Laghaie may, at the agency's option, receive a fixed amount of reimbursement for TQSE for up to thirty days of occupancy of temporary quarters. 41 CFR subpt. 302-5.C. The agency and the claimant should recognize, however, as they consider whether to arrange payment under the fixed amount method, that this method may reduce the total amount the employee receives for TQSE. This is because the fixed amount method allows reimbursement for only thirty days of expenses, whereas the actual TQSE method allows (and Mr. Laghaie has been authorized) reimbursement for as many as 120 days of expenses.

Decision

The claim is denied.

ALLAN H. GOODMAN
Board Judge